

2-5-8-12

890359

MARYLAND HIGHER EDUCATION COMMISSION  
16 Francis Street  
Annapolis, Maryland 21401  
(301) 974-2971



MINUTES OF MEETING  
August 18, 1988  
Regular Session

The Maryland Higher Education Commission met on Thursday, August 18, 1988 in the Calvert Room in the State House in Annapolis. Commission members present were: J. Henry Butta, Chairman; Quentin R. Lawson, Vice-Chairman; J. Glenn Beall, Jr.; Barrie G. Christman; Frank J. DeFrancis; Willard Hackerman; Elmer B. Kaelin; Osborne A. Payne; Constance C. Stuart; and Albert W. Turner. Staff members present were: Dr. Laslo V. Boyd, Acting Secretary; Dr. George Funaro, Deputy Secretary; Dr. Marcellina Brooks, Director, EEO; Dr. Lucie Lapovsky, Director, Finance & Facilities; Dr. Douglas MacDonald, Executive Director, SSA; Dr. Javier Miyares, Director, Special Programs; Dr. Joseph Popovich, Director, Research, Planning and Information Systems; Sandra Allard; Michael Beck; Janice Breslin; Jack Dawson; Jackie Finch; Judith Hendrickson; Margaret Riley; Robert C. Rogers; Lowell Salmon; Dr. Donald Stoddard; and Gloria Traum.

Others present were: Dr. Clara Adams, Morgan State University; Susan Boblitz, SSA; Dr. Joseph Brandon, University of Maryland System; Dr. Robert L. Caret, TSU; Dr. Lewis Cockerill, UMS; Dr. Gertrude Eaton, UMCA; Dr. Annette Ezell, Towson State University; Gayle Fink, Governor's Office; Eugene Goll, **Education News Service**; Charles Guilford, Bowie State University; Michael Johnson; J. P. Laurence, Columbia Union College; Marian Lipinski, UM at Baltimore; Pat Meisol, **Baltimore Sun**; Mary Jo McCulloch, MAPCS; Dr. Gary Pielemeier, Salisbury State University; J. C. Strouse, Telecommunications - DGS; and John R. Wales, State Board for Community Colleges.

The meeting was called to order by the Chairman, Mr. Butta, at 9:06 a.m.

Mr. Butta introduced the Student Member, Gary E. Gamerman, to his fellow Commission members.

**APPROVAL OF MINUTES**

Mr. Butta announced that the minutes of the August 3, 1988 meeting would be approved at the next regular meeting of the Commission.



#### MHEC 1990 BUDGET REQUEST

Dr. Lapovsky presented the Current People Services (CPS) budget request for MHEC. She explained to the Commission members that this request is constrained by the amount of General Funds designated for MHEC by the Department of Budget and Fiscal Planning in July for preparation of the FY 1990 budget. The CPS is a current services funding level. Adjustments are made for inflation, mandatory increases such as those required by legislation and formula driven items such as aid to independent institutions. The total CPS for MHEC is \$52,842,799 with \$50,022,653 coming from General Funds. This represents a 15 percent increase in General Funds. The major components of the increase are formula aid to independent institutions (\$4.3 million) mandated increase in financial aid programs (\$1.0 million), and the College Preparation Intervention Program (\$750,000).

Mr. DeFrancis asked why the staff was not requesting a bigger increase in financial aid support. Dr. Lapovsky explained that the amounts that could be included in the CPS were determined by DBFP, but that MHEC could request additional funds for new initiatives or areas of under-funding through a supplemental budget request. Mr. DeFrancis said a meeting was needed to discuss the supplemental request. Chairman Butta agreed. It was decided that the Finance Committee would discuss the supplemental budget at the Board Retreat.

Mr. Kaelin asked why Maryland was contracting for programs in other states. Dr. Lapovsky indicated that Maryland purchased spaces for Maryland students in programs that are not offered by Maryland institutions. Mr. Hackerman asked if other states purchased spaces in Maryland institutions. Dr. Lapovsky indicated that while no other States were purchasing spaces in Maryland institutions on a contract basis, that many Maryland programs were included in the SREB Academic Common Market. This program allows out-of-state students from the Southern Region to attend Maryland public institutions at in-state tuition for unique programs. Maryland resident have the same opportunity in other states. There is no exchange of funds involved in this program.

The Board approved the CPS budget presented by the staff.



#### BRIEFING ON THE CONSOLIDATED BUDGET

Dr. Lapovsky provided the Commission members with an overview of the State's operating and capital budget processes, and presented for their review, copies of the materials prepared by the staff in previous years. The Commission is charged to develop Operating and Capital budget guidelines, but it will be several months before these guidelines can be developed. Mr. DeFrancis asked what authority the agency had in determining budgets. Dr. Boyd described the agency's role as advisory to DBFP. Mr. DeFrancis asked if MHEC could cut institutional budgets in the event of duplication of programs. Dr. Lapovsky indicated that the law requires the Commission to consolidate institutional budget requests without change. However, the Commission is free to make comments about overall levels of funding and priorities. Dr. Lapovsky distributed a table displaying CPS amounts for higher education institution and units. The CPS is normally treated as a minimum, and the governing boards are likely to present supplemental requests. The issue before the Commission is how to deal with the supplemental operating requests.

Dr. Lapovsky reviewed the Capital budget process and explained the constraints created by the State's debt affordability ceiling. Dr. Boyd indicated that alternative financing strategies are being explored. Mrs. Stuart indicated that, based on her experience as a Regent, the process for funding Capital projects needs to be shortened and alternative funding sources need to be identified.

Dr. Lapovsky provided a table showing the Capital budget requests for FY 1990 totaling \$143 million. Chairman Butta expressed concern about how to establish priorities among the requested projects. Dr. Lapovsky explained that the Commission would receive the governing board priorities, but could establish its own criteria for prioritizing Capital recommendations. A number of Commission members commented on the importance of adequate maintenance of existing facilities. Dr. Boyd indicated that some funds for facilities renewal were in the institutions' operating budgets. Senator Beall noted that the Regents were reviewing institutional priorities as well. Chairman Butta asked how much time was available to make Commission recommendations. Dr. Lapovsky indicated that the Commission will have to make its final Operating and Capital recommendations by November 10th to have any influence on the Governor's budget.

Dr. Lapovsky presented a number of alternative approaches to making operating budget recommendations. These included making no recommendations, forwarding all requests, continuing to use the existing guidelines and methodology or developing recommendations based on some macro recommendations. She explained that all of these recommendations should be viewed as



interim measures pending development of the Statewide Plan and the new budget guidelines. The Commission decided to continue using the methodology currently in place as an interim measure for this year pending development of new guidelines.

**LEGISLATIVE PROPOSALS FOR THE 1989 SESSION**

Dr. Boyd indicated that MHEC was proposing only one change to legislation in the upcoming session. The purpose of the proposed legislation is to increase the annual amount of the Distinguished Scholar Awards from \$2400 to \$3000. The amount of these awards has been increased over the past several years so that they provide a real incentive for the best high school graduates to consider staying in Maryland for higher education. Mr. Kaelin expressed a concern that distinguished scholars were not choosing to attend the top schools. Mrs. Stuart suggested that the effectiveness of scholarship programs should be reviewed by the Program Committee of the Board.

The Board endorsed the proposed legislation unanimously.

**BRIEFING ON PENDING ACADEMIC PROGRAM PROPOSALS**

Dr. Funaro briefed the Commission on the procedures used to review programs submitted to the Commission for approval. The steps in the program review process from review of a prospectus, through submission of a formal, written proposal, to MHEC Academic Affairs Committee and full Commission approval were detailed in turn. Dr. Funaro summarized the provisions of the 1988 Higher Education legislation as it applied to review of existing programs. He concluded with a statistical summary of programs recently reviewed and currently in the approval pipeline.

**MHEC RETREAT: STATUS REPORT**

Ms. Stuart thanked Dr. Boyd and Dr. Funaro for assistance in arrangements for the retreat. She provided the Commission members with a draft outline of the activities planned and noted that she had reviewed the legislation with a eye toward the tasks that the Commission must accomplish. The retreat will begin with a dinner and dinner speaker on Thursday, September 8, followed by a full schedule of activities on September 9. A facilitator will be working with the Commission members during their discussions. There will be time for the individual Committees (Finance and Academic Affairs) to meet and organize. The Planning and Mission Committee will meet as a committee as a whole.





**OTHER BUSINESS**

Mr. Butta noted that he had been notified of some conflicts with the tentatively scheduled meeting dates and that additional suggestions will be made in an attempt to have the majority of the Commission members present at the regularly scheduled meetings. Ms. Stuart noted that the September 8 morning meeting will be replaced by the retreat.

Mr. Lawson expressed his concern about inadequate time for review of the documents presented during the meeting. He recommended to the Chairman that informational items be distributed several days before the meeting or that the item not be heard until the next meeting.

The Chairman, Mr. Butta, adjourned the meeting at 10:40 a.m.

commin82/mr

